

**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: July 21, 2009

AGENDA TITLE: Public hearing and consideration of a motion to authorize the city manager to pursue extension of the purchase contract with Boulder County for 6400 Arapahoe Ave., including the expenditure of funds for the contract extension and for completing the environmental assessment of property.

PRESENTER/S:

Jane S. Brautigam, City Manager
Paul Fetherston, Deputy City Manager
David Driskell, Executive Director of Community Planning
Ruth McHeyser, Deputy Director of Community Planning
Jonathan Koehn, Manager of Environmental Affairs
Elizabeth Vasatka, Environmental Coordinator

EXECUTIVE SUMMARY:

The purpose of this agenda item is request council's approval to incur additional cost for extending the purchase contract deadlines for 6400 Arapahoe Ave., in order to complete the environmental site assessment process.

On July 7, City Council directed staff to work with the county to extend the purchase contract deadlines. Because of certain financial commitments, the property owners were not willing to extend the contract past July 27. As a result, on July 9 the Boulder County Commissioners signed an amended contract extending the contract termination date from July 10 to July 24 and the closing date from July 22 to July 27. These extended deadlines will not to be adequate for the environmental consultants to schedule and mobilize the necessary follow-up site work. The sellers informed the county that they are willing to extend the timeframe, but at a cost of \$4,000 per week. City and county staff have agreed to split this cost. Staff anticipates that this arrangement and checking back in with council will extend approximately four weeks beyond the current closing date of Monday, July 27.

STAFF RECOMMENDATION:

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion: A motion to authorize the city manager to pursue the extension of the purchase contract with Boulder County for 6400 Arapahoe Ave from July 27 closing date to no later than Monday, August 24, and to expend funds for the contract extension and for completing the environmental assessment of the property.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS:

The community sustainability assessments and impacts are included in the July 7, 2009 council packet: www.bouldercolorado.gov/files/Clerk/Agendas/2009/07-07-09/5c.pdf

OTHER IMPACTS:

- Fiscal: Staff is estimating the maximum impact of the city's half of the weekly payment to the sellers will total \$8,000 (\$4,000 per week for four weeks, divided by two, splitting with the county). The city's additional environmental work and review by outside counsel will cost up to \$35,000.

PUBLIC FEEDBACK:

The City Council and County Commissioners are continuing to receive correspondence from concerned neighbors and from residents supportive of the relocation of Eco-Cycle office, Center for Hard to Recycle Materials (CHaRM) and Center for ReSource Conservation's ReSource program. Staff will distribute answers to frequently asked questions in a flyer that will be mailed to area residents and posted on the project Web site.

BACKGROUND:

On July 7, City Council took the following actions:

- Directed staff to work with the county to propose extending the purchase contract deadlines for 6400 Arapahoe Ave. to allow more time for the city and Boulder County to explore issues related to the site;
- Provided feedback to staff on terms of a draft cost-sharing agreement with Boulder County; and
- Recommended discussing the details of trash tax ordinance on July 21.

ANALYSIS:

The following includes the timeline and costs for completing the environmental site assessment for the potential joint purchase of 6400 Arapahoe Ave.

Timeline:

- The minimum time to expedite the entire process is two weeks, initiating the efforts on or shortly after July 22.
- Council will receive the findings from the environmental consultants and the city's outside counsel, Temkin Wielga Hardt & Longenecker. Staff expects to provide this documentation in the final packet for council's August 18 meeting.
- At the August 18 meeting, staff will make a recommendation on whether or not to jointly purchase 6400 Arapahoe Ave.

Costs for the steps identified above are outlined in the table below. These include the extension of the purchase contract deadline, additional environmental work and review by outside counsel and, if the city and county decide not to purchase the site, the earnest money. Because the county is satisfied with Pinyon's final review of the underground storage tank documentation, it will not contribute funds for additional environmental work.

Follow-up Environment Assessment	Total cost	City's cost
Extension of contract deadline for four weeks	\$16,000	\$8,000 (split with the county)
Additional environmental work and review by outside counsel (Phase 1 report paid for by the county)	Up to \$35,000	Up to \$35,000
Subtotal (if purchased)	\$51,000	\$43,000
Earnest money	\$10,000	\$5,000 (split with the county)
Subtotal (if not purchased)	\$61,000	\$48,000

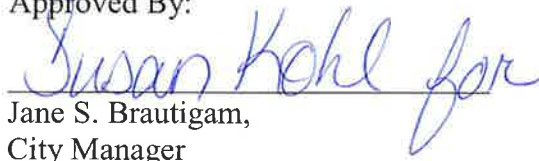
City and county staff agree that this is the best course of action for completing the due diligence on the property and that these additional costs are worthwhile upfront expenses to preclude potentially greater expenses later.

The City Council will receive the following information in its August 18 agenda memo:

- Findings of the follow-up environmental assessment work,
- Options (scenarios and costs) for city and/or county purchase of 6400 Arapahoe Ave. and/or the brickyard site and associated waste reduction uses, and staff recommendation,
- Draft outline of cost-sharing agreement with the county,
- Update on options and costs for obtaining a secondary site access,
- Cost estimates for additional building and associated site improvement requirements, and
- Timeline and land use review requirements for moving ReSource, CHaRM and Eco-Cycle's office operations.

The second reading of the Trash Tax increase ordinance will be presented as a separate agenda item on August 18.

Approved By:


Jane S. Brautigam,
City Manager